

National Medicare TRAINING PROGRAM

Medicare 101

SHIP

State Health Insurance Assistance Program





Medicare 101

- Introduction to Medicare
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

What Is Medicare?

- A health insurance program for
 - People 65 years of age and older
 - People under age 65 with certain disabilities
 - People with End-Stage Renal Disease (ESRD)
- Administered by Centers for Medicare & Medicaid Services (CMS)
- Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)

Applying for Medicare

- Apply 3 months before age 65
 - Don't have to be retired
 - Contact the Social Security Administration
- Enrollment automatic if receiving Social Security or Railroad Retirement benefits



Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)
- Part D (Medicare Prescription Drug Coverage)

Medicare Part A

- Most people receive Part A premium free
- People with less than 10 years of Medicarecovered employment
 - Can still get Part A
 - Will pay a premium
- For information about Part A entitlement
 - Call SSA
 - 1-800-772-1213
 - TTY users call 1-800-325-0778

Medicare Part A

Premiums

- 40 work credits \$0.00
- 30-39 work credits \$244
- Up to 30 work credits \$443

Hospital

- Deductible \$1,068
- Co-payment days 61-90 \$267 per day
- Co-payment days 91-150 \$534 per day

Skilled Nursing

Co-payment day 21-100 - \$135 per day

Enrolling in Medicare Part B

- Pay monthly Part B premium
 - \$96.40 in 2009
- Initial Enrollment Period (IEP)
 - 7 months starting 3 months before month of eligibility
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage effective July 1
 - Premium penalty
 - 10% for each 12-month period eligible but not enrolled
 - Paid for as long as the person has Part B
 - Limited exceptions

Medicare Part B Figures

■ Part B Annual Deductible - \$135

Yearly income Filed Individual Tax Return	Income Yearly Filed Joint Tax Return	Monthly Part B Premium
\$85,00 or less	\$170,00 or less	\$96.40
\$85,000.01 to \$107,000	\$170,000.0 1 to \$214,000	\$134.90
\$107,000.0	\$214,000.0	\$192.70

Enrolling in Medicare Part B

- Some people can delay enrolling in Part B with no penalty
 - If covered under employer or union group health plan
 - Based on current employment
 - Person or spouse
 - Will get a Special Enrollment Period (SEP)
 - Sign up within 8 months after coverage ends

Part B Enrollment Periods *Example*

- Marie turned 65 on June 25, 2008. She will have group health coverage from her employer until she stops working on December 31, 2008.
- Part B enrollment opportunities ...

Enrollment period	Begins	Ends
IEP	3/1/08	9/30/08
SEP	10/1/08	8/31/09
GEP (each year)	1/1	3/31

Paying the Part B Premium

- Taken out of monthly payments
 - Social Security
 - Railroad retirement
 - Federal government retirement
- For information about premiums
 - Call SSA, RRB, or Office of Personnel Management
- If no monthly payments
 - Billed every 3 months
 - Medicare Easy Pay

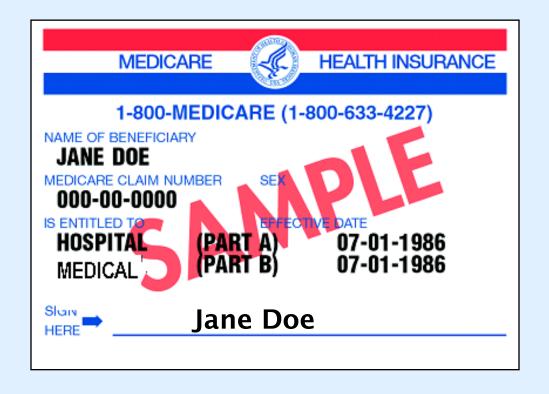
Medicare Choices

- Original Medicare
- Medicare Advantage Plans
- Other Medicare Plans
- Medicare Prescription Drug Plans

Original Medicare

- Go to any provider that accepts Medicare
- People are responsible for
 - Part A in 2009
 - \$1,068 deductible for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
 - Part B in 2009
 - \$135 annual deductible
 - 20% coinsurance for most Part B services
- Some programs may help with costs

The Medicare Card



Medigap

- Health insurance policy
 - Sold by private insurance companies
 - Must say "Medicare Supplement Insurance"
 - Covers "gaps" in Original Medicare
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
 - Up to 12 standardized plans A L
 - · Except in Massachusetts, Minnesota, Wisconsin
 - So people can compare easily

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How Medigap Works

- People can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older
 - If they lose certain kinds of health coverage
 - Through no fault of their own
 - If they leave MA Plan under certain circumstances
 - Whenever the company will sell them one
- Monthly premium
- Generally go to any doctor or specialist

Medicare Advantage Plans

- Health Maintenance Organization (HMO) Plans
 - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
 - Regional PPOs new in 2006
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans
 - Began in 2007

Eligibility for MA Plans

- Live in plan's service area
- Entitled to Medicare Part A
- Enrolled in Medicare Part B
 - Continue to pay Part B premium
 - May also pay monthly premium to plan
- Don't have ESRD at enrollment
 - Some exceptions

How MA Plans Work

- Usually get all Part A and B services through plan
 - May have to use providers in plan's network
 - Generally must still pay Part B premium
 - · Some plans may pay all or part
- May get extra benefits
 - Vision, hearing, dental services
 - Prescription drug coverage
- Still in Medicare program
 - Get all Part A and Part B services
 - Have Medicare rights and protections

Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- Available to all people with Medicare
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage and other Medicare plans
 - Some employers and unions

Enrollment Periods

- Initial Enrollment Period (IEP)
 - 7 months
 - Starts 3 months before month of eligibility
- Annual Coordinated Election Period (AEP)
 - November 15 through December 31 each year
 - Can join, drop, or switch coverage
 - Effective January 1 of following year
- Special Enrollment Period (SEP)

Late Enrollment

- People who wait to enroll may pay penalty
 - Additional 1% of national base premium for every month eligible but not enrolled
 - Must pay the penalty as long as enrolled in a Medicare drug plan
- Unless they have other coverage at least as good as Medicare drug coverage
 - "Creditable coverage"

Prescription Drug Plans

- At a minimum, must offer standard benefit
 - In 2009 members may pay
 - Monthly premiums
 - Annual deductible, no more than \$295
 - Copayments or coinsurance
 - Very little after \$4,350 out-of-pocket
- May offer supplemental benefits
- Plan information and costs available
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

2009 Standard Benefit

Benefit Parameters	2008	2009
Deductible	\$275	\$295
Initial Coverage Limit	\$2510	\$2,700
Out-of-Pocket Threshold	\$4050	\$4350
Total Covered Drug Spend at OOP Threshold	\$5726.25	\$6,153.75
Minimum Cost-Sharing in Catastrophic Coverage	\$2.25/\$5.6 0	\$2.40/\$6.0 0
LIS Copayments	2008	2009
LIS Copayments Institutionalized	2008 \$0	2009 \$0
Institutionalized	\$ 0	\$O
Institutionalized Up to or at 100% FPL	\$0 \$1.05/\$3.1 0	\$0 \$1.10/\$3.2 0

Amount is \$33.05 in Indiana. This is the promium

Extra Help With Drug Costs

- Available for many people with limited income and resources
 - Income limit in 2009
 - \$1,300/month individual)
 - \$1,750/month (married couple)
 - Resource limit
 - \$11,990 (individual)
 - \$23,970 (married couple)

Extra Help With Drug Costs

- People with lowest income and resources
 - Pay no premiums or deductibles
 - Have small or no copayments
- Those with slightly higher income and resources
 - Pay no or a reduced premium
 - Have a reduced deductible
 - Pay a little more out of pocket

Eligibility for Extra Help

- Some people may automatically qualify
 - People with Medicare who
 - Get full Medicaid benefits
 - Get Supplemental Security Income (SSI)
 - Get help from Medicaid paying Medicare premiums

Others must apply and qualify

Medicaid

- Joint Federal and state program
 - For some people with limited income and resources
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes vary
- Office names vary
 - Social Services
 - Public Assistance
 - Human Services

Other Savings Programs

- Medicare Savings Programs
 - Help from Medicaid paying Medicare expenses
 - For people with limited income and resources
 - May also pay deductibles and coinsurance
- State-specific programs
- Hoosier Rx

For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP)
 - 1-800-452-4800
- *Medicare* & *You* handbook
 - Other publications

Summary

- Medicare coverage
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

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